



Virginia Department of  
Emergency Management

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# NG9-1-1 Sustainable Funding Committee

Date: Aug 19, 2020

# Agenda

- Report of the 2015 CSUT
- Draft recommendations (Jan 2020)
- Philosophy of Funding
- Update from VML and VACo
- Next Steps



# Report Observations

- Wireless 9-1-1 Fund is growing at about 2% annually
- Since the tax became effective in 2007, the revenue deposited into the Communications Sales and Tax Trust Fund has generally decreased each year
- Between 2007 and 2014, the number of landlines is estimated to have decreased by 21.1 percent



# Report Observations

- Effective January 1, 2011, the Prepaid Wireless E-911 Fee collection began (\$0.50)
- Between 2012 and 2014, the amount of Prepaid Wireless E-911 Fee revenue is estimated to have grown by 18.4 percent
- However, the amount of Postpaid Wireless E-911 Surcharge revenue is estimated to have grown by only 1.7 percent



# Committee's Charge

- The purpose of the committee is to assist the PSC Coordinator by providing recommendations to the 9-1-1 Services Board on how to mitigate the financial burden of recurring NG9-1-1 costs on localities



# Recommendation 1

- Support the removal of the current prepaid wireless exemption in CSUT:
  - Item included in VACo legislative package for 2020 GA to modernize the CSUT
  - Removal would bring an estimated additional \$20M in funding to localities
  - Strong support among respondents to local government survey
  - Help to alleviate increased NG9-1-1 recurring costs



# Recommendation 2

- Increase the current wireless surcharge:
  - Does this apply to both pre- and post-paid and to what amount(s)?
  - Does this address more than NG9-1-1?
- Need to build the case for change:
  - Demonstrate that an increase is financially necessary to maintain current and future local 9-1-1 operations, especially if wireless exemption is removed, for 2021 GA session



# Recommendation 3

- Consider undertaking a 9-1-1 cost study:

Can only do so much with the funding formula

Local 9-1-1 expenses and increasing much more rapidly than the Wireless Fund and distributions to localities

Outside the scope of this committee, but task can be undertaken by another group





# Philosophy of Funding

- On our last call Committee members determined that they felt comfortable in moving forward with the development of a “philosophy of funding”
- Pros and cons of this approach
- Equity based
- Measurement criteria



# VML and VACo

- Any updates on the following:

Pre-paid wireless exemption

Surcharge/tax applied to streaming video

Revenue projections for preceding 2 items

Legislative agenda



# Next Steps

- Report for 9-1-1 Services Board meeting on Sept 17<sup>th</sup>
- Action items

